



*City of Lincoln, Nebraska*

# **Infrastructure FINANCE COMMITTEE**

## **Cost Savings and Efficiency Work Group**

### **FINAL REPORT**

**to the Mayor's Infrastructure Finance Committee**



**March 18, 2003**

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# Cost Savings and Efficiency Work Group: Report of Findings and Recommendations

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## Introduction

The purpose of this report is to present the final recommendations of the Cost Savings and Efficiency Work Group of the Mayor's Infrastructure Finance Committee process.

The recommendations contained in this report are being forwarded to the full Infrastructure Finance Committee for their consideration as they develop a single summary report for Mayor Wesely and the Lincoln City Council. The recommendations in this report are meant to complement the efforts of the other two Work Groups dealing with legislative and financing issues.

The Cost Savings and Efficiency Work Group's recommendations encompass a broad range of potential city actions. The Work Group has tried to identify realistic policy, process, standards, and administrative alternatives that can result in the efficient delivery of urban infrastructure.

**As noted later in this report, "efficiency" was defined by the Work Group as activities saving money and/or time. While it is extremely difficult to quantify the exact dollar or time savings from their findings, the Work Group believes their recommendations could result in an estimated \$35 million in "hard savings" (i.e., proposed infrastructure either scaled down in size or dropped as less essential), another \$100 million in "deferred savings" (i.e., delaying portions of projects beyond the 12 year window and until they are determined as required, e.g., building today only three lanes of a proposed five lane road, or only one lane of a dual left turn lane, etc.), and an undetermined amount of "soft savings" (i.e., changes in city procurement practices and other administrative practices.)**

The balance of this report is organized into six sections. These sections deal with an outline of the Work Group process and charge, an overview of the format used to present the Work Group's findings and conclusions, and the Work Group's recommendations. The report is divided into the following areas:

- ☐ Process Overview
- ☐ Work Group Recommendations Organization
- ☐ Preamble
- ☐ Big Picture Policy Recommendations
- ☐ System and Process Recommendations
- ☐ Infrastructure Elements Recommendations

## Process Overview

### Work Group Membership

The Cost Savings and Efficiency Work Group was one of three “Work Groups” established for this process – the other two groups dealt with legislative and financing issues.

The Cost Savings and Efficiency Work Group was composed of sixteen members. These members represented a diverse range of community interests. They were selected from among the participants on the Mayor’s Infrastructure Finance Committee and from other community members expressing an interest in participating in the process. The members of the Cost Savings and Efficiency Work Group were as follows:

Russ Bayer, Work Group Chair (Infrastructure Finance Committee Member)  
Carol Brown (Infrastructure Finance Committee Member)  
Jon Carlson (Infrastructure Finance Committee Member)  
Jerry Schleich (Infrastructure Finance Committee Member)  
Jennifer Brinkman  
Mark Brohman  
Brian Carstens  
Duane Eitel  
Duane Hartman  
Mark Hunzeker  
Rick Krueger  
Greg MacLean  
Patte Newman  
Melinda Pearson  
Roger Reynolds  
Greg Wood

Allan Abbott (City Public Works and Utilities Director) also served as a non-voting member of the Work Group.

### Overall Process Charge and Key Working Assumptions

As expressed in the Mayor’s October 3, 2002, “Charge to the Committee,” the overall task of the Mayor’s Infrastructure Finance Committee is to:

*“...seek a consensus on a realistic comprehensive financial package ensuring the maintenance of existing public infrastructure and the delivery of future public infrastructure to facilitate community growth.”*

The Mayor's Infrastructure Finance Committee is responsible for preparing an integrated package of recommendations combining the products of the three Work Groups. The Committee is to "be sensitive to the effects its recommendations may have on Lincoln's citizens, businesses, neighborhoods, economic development and people of all income groups."

The Committee and its subordinate three Work Groups were also provided with five "Key Working Assumptions." These assumptions are to form the foundation upon which the Committee is to build their final conclusions. In summary form, these assumptions include:

- 1      The City-County Comprehensive Plan is to serve as the framework for the assumed population growth rate, direction of urban growth, and phasing of urban growth.
- 2      A "balanced funding approach" is to be sought that gives primary consideration to maintaining the community's existing infrastructure investment; secondly, to fund projects of "broad community benefit" (namely the Antelope Valley projects and the South and East Beltways); and thirdly, to support infrastructure improvements that further planned urban growth.
- 3      The Committee's review is to be limited to streets and highways, water, wastewater, storm water, and parks.
- 4      The planning time horizon of the effort is to cover at least the next 6 years and longer as deemed appropriate.
- 5      The financial contributions from impact fees (consistent with the Mayor's August 26, 2002, proposal) are to be assumed part of any future revenue stream of Lincoln's infrastructure development.

### **Work Group Charge**

Within the Infrastructure Finance Committee's overall charge, the Cost Savings and Efficiency Work Group was also assigned a specific task. The Work Group's expressed role was to:

*"consider ways to make certain that City infrastructure is planned, programmed, and constructed in the most reasonably efficient manner possible."*

In pursuing this mission, the Cost Savings and Efficiency Work Group was asked to complete the following assignments: (1) conduct a workshop to brainstorm ideas for ensuring the City is efficiently delivering public infrastructure; (2) examine the "timing, prioritization, staging, and phasing options for infrastructure improvements" while making certain there is minimal disruption during the construction phase and that short term savings are not sought at the expense of long term costs; (3) prepare recommendations for presentation to the full Infrastructure Finance Committee; and (4) complete additional follow up work as may be

requested by the full Committee.

### **Work Group Process**

The work of the Cost Savings and Efficiency Work Group was completed over a six month period between October, 2002, and March, 2003. The Work Group held a total of fifteen formal meetings, including two expanded workshop sessions.

All of the meetings were held in public facilities -- primarily the County-City Building in Downtown Lincoln. With the exception of the workshop sessions, the agenda for all of the Work Group's formal meetings included time for the public to address the Group. Most of the formal meetings and the workshop sessions were conducted with the assistance of a professional meeting facilitator. This provided a structured approach for identifying and evaluating a wide range of efficiency concepts.

The Cost Savings and Efficiency Work Group also conducted a public Open House on the evening of January 30, 2003, from 6:30 p.m. until 8:30 p.m. The Open House was held in the community room of the recently completed Walt Public Library at 6701 South 14<sup>th</sup> Street in Lincoln. The Open House provided area residents with the opportunity to meet with the members of the Work Group and to discuss their ideas for improving the efficient delivery of Lincoln's public infrastructure.

### **Definition of Efficiency**

Through their meeting discussions and dialogue with the community, the Cost Savings and Efficiency Work Group identified a total of 43 separate approaches for improving the efficient delivery of public infrastructure services. These ideas were then discussed and tested against the Group's working definition of "efficiency."

As agreed to by the Work Group members, the definition of "efficiency" encompassed a two-tier approach:

- ☐ The first criteria of efficiency held that the approach must "save money" and/or "save time" for the private or public sectors; and,
- ☐ If the approach meets the first test, then it should be judged against a number of other checks or constraints:
  - Quality and level of service
  - Maintains public convenience
  - Safety
  - Simplicity
  - Quality of life for area citizens
  - Acceptance by the Public Works & Utilities Department
  - Implementable



## Work Group Recommendations Organization

The overall findings and recommendations of the Cost Savings and Efficiency Work Group are organized into four major areas:

- ☐ **Preamble** – The Work Groups’s Preamble presents several overriding philosophies concerning the delivery of public infrastructure by the City of Lincoln. These include items that are of continuing interest to the community and should be given primary consideration as elected officials consider how they may wish to implement the Work Group’s and Committee’s recommendations.
- ☐ **Big Picture Policies** – These findings and recommendations address issues of broad community concern. They involve long term and broad-scale public policies influencing the manner and timing of development. They target key elements of the City’s basic blueprint for sustaining both the viability of established neighborhoods while accommodating and furthering urban expansion. Many of the proposals within this section of the report are grounded in the City’s adopted Comprehensive Plan and its intended implementation. Other recommendations focus on infrastructure management issues and financial considerations.
- ☐ **Systems and Procedures** – These Work Group findings and recommendations speak to the systems and procedures used by the City to plan for, procure, construct, and maintain urban infrastructure. This includes the methods employed by the City in obtaining needed public right-of-way, bidding and contractual management, interagency coordination, and plan review.
- ☐ **Infrastructures Elements** – These Work Group findings and recommendations examine the more detailed aspects of urban infrastructure design and construction. They include actions relating to the phasing of roadway construction, grading profiles, the conversion of rural roads to urban streets, and the assumed improvements needed along major roadways.

## PREAMBLE

Public infrastructure is one of the most important underpinnings in a community's quality of life. It features prominently in both economic well-being and public health. And yet public infrastructure is often taken for granted by the general citizenry; not noticed unless and until there is a major problem.

**The Cost Savings and Efficiency Work Group fully endorses our community's need to seek a new and forward-looking strategy for financing public infrastructure.**

As a municipality, Lincoln has invested substantial resources in providing streets, utilities, parks, and other public facilities. These facilities support the excellent quality of life our established neighborhoods currently enjoy. It is imperative we maintain a financial commitment to our existing public infrastructure and facilities so that present and future generations can benefit from these facilities.

At the same time, we are a community committed to urban growth and economic expansion for our residents. This will require broadening the financial base upon which we fund capital improvements.

As the Mayor indicated in his Charge Statement establishing this process, we must seek a "balanced funding approach" for meeting this challenge. Such an approach can aid in maintaining the existing infrastructure, supporting projects of broad community benefit, and providing for the timely expansion of planned infrastructure.

It is also the Work Group's belief that we must follow the development framework established in the recently adopted Comprehensive Plan. The expansion of infrastructure should be done within the overall parameters of the rate of population growth, direction of growth, and phasing of growth called for in the Plan. This has been a basic assumption upon which the Work Group has completed its task.

In meeting these goals, the Work Group also strongly finds that public capital funds -- be they tax dollars or user fees -- should be deployed in the most efficient and cost effective manner possible.

This task is not a simple one. The complexities of public infrastructure improvement financing are many and varied. There are numerous legal, administrative, political, and practical challenges facing us as we try to craft a truly "balanced funding approach." The recommendations which follow this Preamble are intended to support this overall goal.

The Work Group believes, that if implemented, these recommendations can enhance the efficient delivery of public infrastructure services and ensure the wise use of our community's financial resources.

## Big Picture Policy Recommendations

This section presents the Cost Savings and Efficiency Work Group's recommendations regarding the major planning and development policies. The recommendations have been grouped into the following four subsections:

1. Comprehensive Plan Policies
2. Temporary Wastewater Services Using Alternative Practices
3. Special Funding Districts
4. Executive Orders vs. Special Assessment Districts

### Comprehensive Plan Policies

#### Comprehensive Plan Implementation

The recently adopted Year 2025 City of Lincoln-Lancaster County Comprehensive Plan provides the community with clear guidance regarding the planned future growth of the urban area. This guidance is represented in several elements of the Plan.

The primary emphasis is the delineation of the City's "Future Service Limit." This boundary plainly defines Lincoln's intended municipal service area for the planning period -- in this case, by the year 2025. The Future Service Limit is presented on the Plan's future land use map and is used throughout the Plan to show the geographic area for which future infrastructure is to be programmed.

#### **Consistency and Continuity of Comprehensive Plan Implementation**

"Savings could be achieved if the City commits to following the infrastructure program shown in the Comprehensive Plan."

"Indiscriminate and/or frequent departures from the Plan's infrastructure program discourage and undermine long-term facilities planning and reduce the cost savings that such planning can provide."  
-- *Cost Savings & Efficiency Work Group*

The Future Service Limit also serves to set the boundary for "Tier I." This area is one of the three growth tiers identified in the Comprehensive Plan. Tier I is intended to show the first twenty-five years worth of development called for in the Plan. Tier I encompasses approximately 40 square miles of new growth that will be added to Lincoln's current corporate limits of nearly 80 square miles. It is the intent of the City, through the planning and capital programming process, to provide services to this area within the next twenty-five years.

The Comprehensive Plan's phased growth also includes a Tier II and Tier III. These two areas define anticipated urban growth for the time horizon beyond the near term planning period of the Plan. Tier II includes approximately 47 square miles of development. It will be the next area of growth following the development of Tier I.

This phasing of growth is intended to provide for the logical extension of public infrastructure as provided for in the formulation of the Comprehensive Plan. The designation of Tier II in particular offers the City utility systems the stability to program long term facility improvements. By designating today the long term geographic scope of development, the City's utility and other public service departments can begin planning their extended capital needs.

## Capital Improvement Program

### **Prioritize City's CIP Projects within Comprehensive Plan**

"Institute policies and procedures for closely tying the programming of capital projects (i.e., CIP) with the growth phasing program and related policies in the Comprehensive Plan" – *Cost Savings & Efficiency Work Group*

While the Comprehensive Plan embodies the City's long term public infrastructure improvement plans, implementation details are typically drawn from other working documents. In the case of the City's Water and Wastewater Systems, each utility has its own detailed long term "Master Plan." These Master Plans provide decision makers with the facility and financing information needed to effectively formulate capital improvement strategies.

It is important to note that these "Master Plans" have been crafted to reflect the growth and development policies contained in the adopted Year 2025 City-County Comprehensive Plan. The City's long term capital programming process carefully integrates the phasing and development patterns spelled out in the Comprehensive Plan with these utility Master Plans and other programs for capital investments. The Master Plans and other capital programs are purposefully designed to implement the community's expressed development objectives contained in the Comprehensive Plan.

This involves carefully managing the timing and expansion of utilities in order to support planning urbanization. This administrative process is handled through the City's Capital Improvement Program. The CIP is expressed in a six year program prepared each year by the participating departments. While the CIP encompasses a six year time frame, only the first year of the CIP is actually adopted by the City. This one year program is known as the "Capital Budget." The remaining five years of the CIP offer a general perspective on the City's intention but is not binding.

The City has modified the timing of its Capital Improvement Programming (CIP) and the Comprehensive Plan Annual Review process. In the past, these two processes were completed at different times of the year. Typically the CIP was reviewed by the City-County Planning Commission and the elected officials during the late spring and early summer. In contrast, the

Comprehensive Plan Annual Review was usually completed during the winter months. With the recent adoption of a new Comprehensive Plan, these two processes are being combined into a single review procedure. The draft CIP and the Annual Review Report will be heard by the Planning Commission at the same time. This is scheduled to occur in May of each year. Integrating the timing of these two efforts should allow for a more meaningful community discussion concerning the timing of capital improvements and the phasing of growth called for in the Plan.

The Comprehensive Plan also expressly recognizes the need to more carefully integrate the Capital Improvement Programming process with the Plan's implementation. The Plan contains the following specific recommendation, "Explore options to permit the City Council to annually adopt a six year Capital Improvement Program to serve as a planning and programming guide." This strategy dovetails closely with the recommendation of the Cost Savings and Efficiency Work Group to more closely tie the Comprehensive Plan and City's capital improvement programming process.

Efficiencies and cost savings can be achieved if long term capital investment plans are clearly defined and followed. This is especially true regarding commitments by the City to the timing of infrastructure installation. This can offer greater predictability and certainty for the planning of private investments supported by the public's investment in utilities and other services.

## Project Phasing

Within the designated Tier I growth area are two development subareas. These subareas are termed "Priority Area A" and "Priority Area B."

Priority Area A is designed to support near term growth. It is the area intended for the first phase of growth (i.e., 12 years) planned to occur over the next 25 years. The area is generally contiguous with existing urban development and are those geographic areas where major utilities can be most easily and efficiently provided.

In effect, Priority Area A reinforces the Comprehensive Plan's basic growth objectives of contiguous development that logically follows natural drainage basins. Also, the Plan calls for infrastructure to be installed concurrent with development. These policies afford the community the most efficient delivery of utility services and thus provides such services at the lowest possible cost.

### Extend Time For Phasing of Projects

"We do not need to build out the entire infrastructure for full development of the 25 years in 12 years. We do need to provide the right-of-way per the Plan. We recommend phasing infrastructure as needed."

"Cost savings could be achieved if the infrastructure improvements called for in the Plan are phased in over a longer period of time." – *Cost Savings & Efficiency Work Group*

Priority Area A was accepted early on as the geographic focus for the “Mayor’s Infrastructure Financing Committee” process. The Comprehensive Plan calls for this area to have basic municipal infrastructure facilities in place within about 12 years from the Plan’s adoption. As such, this approximately 18 square mile area and the 12 year time frame has become the focus of the Work Group’s discussion regarding efficiencies resulting from the phasing of infrastructure improvements.

## Deviations from Plan

The Comprehensive Plan is the community’s expressed guide for its future growth and development. As the Plan is implemented, development proposals may be brought forth which vary from the intended location, timing, and/or uses of land.

Such proposals are most likely to be found as “not in conformance with the Plan” as they deviate from the adopted policies contained in the Plan.

The adopted Comprehensive Plan does offer guidance and standards regarding proposals which may advance the timing of development -- most specifically, proposals for developing in Priority Area B prior to development in Priority Area A.

### **Guidelines for Projects Not in Conformance with Comprehensive Plan**

“Develop clear policies for requests that are not in conformance with the adopted Comprehensive Plan. However, these policies must be open enough to allow projects that create and/or retain jobs for the community.”

“Using a cost/benefit analysis process, consider whether the City should require certain concessions and payments from developers of such projects.” – *Cost Savings & Efficiency Work Group*

The Plan also offers general policy principles for examining the prioritizing growth proposals within the Tier I area. These principles relate to the adequacy of infrastructure improvements to support full urbanization, the impact on other capital and operating budgets of the city and public agencies, and the demonstrated public benefit warranting deviation from the Plan. These concepts are contained in the “Future Conditions - Community Form” chapter of the Comprehensive Plan.

## Temporary Wastewater Services Using Alternative Practices

The adopted Year 2025 City-County Comprehensive Plan sustains a long held policy of the City's wastewater utility system -- namely, that the City's wastewater collection system "will continue to be a gravity fed system. . . ."

This policy offers the most efficient delivery of sanitary sewer services. It is less maintenance intensive and less costly than force main systems. This policy supports and is supported by the adopted growth pattern that follows natural drainage basins and sub-basins.

### Force Mains as Temporary Facilities

"The Work Group recommends the selective deployment of force mains and lift stations as a temporary means for opening an area for future development. Developers would have to share in the costs of such systems. These systems would be replaced at such time as gravity flow services become available." – *Cost Savings & Efficiency Work Group*

### Service Considerations

"The use of force main and lift stations would need to take into consideration these issues:

(1) the collection main into which the effluent is being pumped must have available capacity for the projected life of the force main or lift station; (2) a written agreement regarding the specific geographic area contributing effluent via the force main or lift station must be defined prior to the provision of services; and (3) as force mains and lift stations are more expensive to maintain than a gravity flow system, a written agreement regarding the developers contribution to the maintenance of the main or station must be in place prior to the provision of services." – *Cost Savings & Efficiency Work Group*

The adopted Comprehensive Plan also notes that the community should explore alternative methods for providing wastewater collection services "when practical." These alternative methods can include "force mains" and "lift stations."

Force mains are a technology which use pressure, rather than gravity, to transport wastewater effluent within a specific collection main. In the case suggested here, the force main would transport the effluent to an existing gravity flow main that has the temporary capacity to handle the additional flow. Lift stations are similar in nature in that they use mechanical force to move effluent, usually over a ridgeline or across an area where the natural forces of gravity cannot be used.

Such technologies have been used on a very selective basis within the City's existing wastewater system.

## Special Funding Districts

The idea of using “special funding districts” to construct Lincoln’s public infrastructure improvements has been discussed in a number of recent forums.

The City-sponsored “Infrastructure Financing Study” completed in the year 2001 examined the concept of using special districts for water, wastewater, and street capital improvements.

The Advisory Committee’s Final Report from that study discusses the possible use of one such district concept and what would be required to establish its use. The Report notes that the potential application of this approach would necessitate the adoption of “special assessment district enabling legislation” by the State of Nebraska. This would need to include allowances for the creation of such districts outside the city limits, provisions for a per-acre assessment based on “fair and equitable formulas,” deferment of payments under greenbelt qualifications, a broadened definition of “special benefit,” and permission to assess liens on agricultural land.

### Special Funding Districts

“(1) The City should investigate the possible use of special funding districts for constructing infrastructure improvements; (2) This should include an assessment of any present authority the City has but is not currently being applied; (3) It is understood that any use of special funding districts will require City Council and Mayoral approval; and, (4) As applicable, the use of special funding districts needs to protect the farming community as discussed in the Comprehensive Plan.” – *Cost Savings & Efficiency Work Group*

## E.O.’s vs. Special Assessment Districts

During the course of their deliberations, the Cost Savings and Efficiency Work Group discussed numerous issues concerning the cost difference between constructing infrastructure improvements using various administrative approaches.

One specific issue identified by the Work Group was the perceived difference in construction costs between projects built using “executive orders” vs. “special assessment districts.”

### Cost Differences between EO’s & SAD’s

“It is recommended that the perceived cost differences between projects constructed using “Executive Orders” vs. “Special Assessment Districts” be forwarded to the Finance Work Group for further study.” – *Cost Savings & Efficiency Work Group*

Even after considerable discussion about the factors that could be contributing to the perceived differences in cost between these two methods, the Work Group was unable to arrive at a mutually agreeable determination. It was the Work Group's desire that this issue be submitted to the Finance Work Group for their consideration and review.

## Systems and Process Recommendations

This section presents the Cost Savings and Efficiency Work Group's recommendations regarding various systems and processes affecting infrastructure procurement, construction managed, project coordination, plan review, and funding. The recommendations have been grouped into the following seven subsections:

1. Bidding and Contracting Procedures
2. Right-of-Way (ROW) Acquisition
3. Handling of Engineering Drawings
4. Construction Inspection/Observation Program
5. Interagency Coordination
6. Streamline Platting Process
7. Grant Writing Program

### Bidding and Contracting Procedures

#### Combining Projects into Single Bid

During the numerous meetings of the Cost Savings and Efficiency Work Group, there was considerable discussion regarding the procedures utilized by the City in bidding and contracting for infrastructure improvements.

In many cases there were perceived efficiencies to be gained from modifying the procedures currently used to obtain engineering or construction bids and, in turn, how the resulting contracts were formulated.

In many cases it was determined that State law or City Charter regulations do not allow for changes to be made in the bidding or contracting process. As a general rule, the Work Group has attempted to identify options that can be undertaken without resorting to changes in State or City statutes.

#### Combining Projects into Single Bids

"Lump several construction projects (perhaps covering a two-year period) into a single contract in order to encourage efficiencies and economies of scale that such a method may provide."

"The following caveats would need to be applied:

(1) Forewarn local contractors that such an approach is to be implemented so that they can prepare to position themselves strongly for an aggregate contract; and, (2) City officials must use appropriate judgement in knowing when it is better to aggregate projects or to leave them separate." – *Cost Savings & Efficiency Work Group*

The first recommendation from the Cost Savings and Efficiency Work Group in the area of bidding and contracting suggests the City look at ways to combine several smaller contracts into a single, larger contract. This should be done on a selective basis and should not be done so as to favor larger firms over smaller ones. The City should make its intentions known in making this change so that local firms can prepare themselves for this modification in bidding procedures. The combining of smaller projects into a single bid package should allow for over all cost reductions. This would result from greater efficiencies brought about by the economies of scale and the certainty which firms would have in knowing that they had a specific amount of business to undertake.

### **Indefinite Delivery Contracts**

#### **Indefinite Delivery Contracts**

“Review indefinite delivery contracts for professional and construction projects and give consideration to the use of multiple firms when so doing.” – *Cost Savings & Efficiency Work Group*

“Indefinite delivery contracts” is a procurement method allowing for the contracting of generically defined services. Such contracts contain general terms of performance (that is, a broad description of the type of work to be performed) along with a set fee schedule (that is, a registry showing how much the City would pay for a given “unit” of work.)” These contracts can be written for professional services or construction work.

This approach allows the City to retain firms to perform work when needed by the City. This approach can save time (and potentially money) by reducing the time necessary to bid the work at the time the work needs to be undertaken. If this approach is employed, the City should contract with a variety of large, medium, and small firms.

### **Statement of Intent**

The programming of funds for many of the City’s larger scale capital construction projects may occur over several fiscal years.

It has been the City’s practice to wait on starting capital projects until all of the money is in place -- thus effectively delaying the initiation of work. This has typically been the case even if there is an expectation that the project funds will be available in the future.

#### **Statement of Intent**

“Have the City Council pass a ‘Statement of Intent’ expressing the City’s intent to make greater use of multi-year contracting for capital construction projects.” – *Cost Savings & Efficiency Work Group*

Within certain limitations, the Lincoln City Charter does allow for multi-year contracting – even if the future funds cannot be fully appropriated. Under Article VII, Section 3 of the Charter,

“contracts involving the expenditure of money from appropriations of more than one year” can be entered into if approved “by ordinance or resolution of the council.” This presents a higher standard than for most other contracts which can be entered into solely by Mayoral action following the appropriation of funds by the City Council.

The Cost Savings and Efficiency Work Group recommendation calls for the City to make greater use of multi-year contracting in advance of fully funding projects. The recommendation suggests the City Council pass a “Statement of Intent Resolution” indicating the City’s desire and willingness to utilize multi-year contracting procedures so that capital projects can be started before all of the needed funds are in place.

Under this approach, capital projects would proceed more quickly because work could begin prior to the City having all the funding necessary to complete the project. This would also allow for the more efficient scheduling of construction, thus saving additional funds. Proposed multi-year contracts would include wording clearly indicating the City’s intent to use this procedure. All such contracts would need to be presented to and affirmed by the City Council before they could be executed.

## Right of Way (ROW) Acquisition

### Pursue Advanced ROW Acquisition

Securing public right-of-way is a critical element in the road construction process.

Right-of-way needs to be available to the City before any meaningful construction can begin. ROW is needed for building the street (including through lanes and turning lanes), for installing utility lines (including water, stormwater, electrical, gas, and telecommunications), for constructing sidewalks and trails, and for providing adjacent uses with sufficient buffer space.

Right-of-way is often one of the most expensive elements in the road construction process. By securing ROW well in advance of development, public agencies can reap substantial cost savings.

#### Advanced ROW Acquisition

“The City of Lincoln should move ahead with a Memorandum of Understanding with Lancaster County for joint acquisition policies and procedures. This should be formalized as soon as possible.”

“The City should get an early start for acquisition by providing staff with ROW plans at least one (1) year in advance. This will require a change in internal policy but does not require a change in any statutes.”  
– *Cost Savings & Efficiency Work Group*

The Cost Savings and Efficiency Work Group is offering two specific recommendations

regarding the advanced acquisition of right of way. The first recommendation calls for the City of Lincoln and Lancaster County to enter into a Memorandum of Understanding, as soon as possible, allowing the County to obtain ROW for future city roadways. The second recommendation addresses a parallel need for the early completion of ROW plans so that the ROW requirements are clearly spelled out well in advance of actual street construction. These combined actions should provide for a process affording the securing of public right-of-way when the land remains relatively inexpensive.

## **ROW Acquisition Resources**

The Cost Savings and Efficiency Work Group recognizes that the staff and resources implementing the City right-of-way acquisition program are housed in the City's Urban Development Department.

In addition, much of the actual ROW acquisition is not done directly by city staff but rather is handled by outside contract employees.

### **ROW Acquisition Resources**

"The City needs to ensure that fiscal resources are available to have enough staff to complete the ROW acquisition task in a timely manner." – *Cost Savings & Efficiency Work Group*

The Work Group recommends that the City give careful consideration to the amount of resources assigned to the task of ROW acquisition and ensure that the resources are adequate to effectively and efficiently complete the task.

## **Handling of Engineering Drawings**

The Cost Savings and Efficiency Work Group believes the City should consider changes to their present system of reviewing engineering drawings submitted by private firms for subdivisions.

Under the present system, the City utilizes a "first in-first out" approach. This means that the City reviews each set of drawings submitted by private engineers in the order in which they are received by the City.

This results in incomplete engineering drawings being given the same status as complete engineering drawings.

### **Engineering Drawings**

"In order to have more timely construction drawings, city staff should undertake the following:

- (1) Give priority to complete plans over partial plans. Note that this refers primarily to subdivision work.
- (2) Put the responsibility on the private developer and design team to be in compliance with City and State guidelines and requirements." – *Cost Savings & Efficiency Work Group*

Incomplete drawings take more city staff time to review and can result in slowing down the process for everyone – especially those firms submitting complete drawings.

It is the feeling of the Work Group that complete products should be given priority over incomplete products. Submittals that are incomplete would be bypassed until staff has processed the complete drawings. As time then permits, city staff would return the incomplete set of drawings and work with firms submitting then to bring the drawings up to standard. City staff will prepare a checklist of required information that would define a complete product.

## **Construction Inspection /Observation Program**

As the City infrastructure projects are constructed, inspections/observations are completed at all critical stages of the process.

These inspections/observations help ensure that projects are being built to the specifications called for in the City's design plans and that all quality standards are being met by the contractor.

Such inspections/observations are an essential part of the efficient delivery of city services. If projects are not constructed correctly, costly repair and maintenance work will need to be undertaken in the future.

Also, it is the City's responsibility to make certain that public funds are expended in a judicious and accountable fashion. Having an effective project inspection/observation program is one means of ensuring that this objective is met.

The Cost Savings and Efficiency Work Group believes that the City's current project inspection/observation program should consider being more aggressive in their approach. This higher standard of performance would help ensure that infrastructure improvements are installed by private contractors in the most timely and quality fashion possible.

### **Construction Inspection/Observation Program**

“(1) Ensure that adequate resources are made available to the City's construction inspection/observation program, although this may not necessarily include adding staff;  
(2) Increase training for inspectors/observers;  
and  
(3) Provide inspectors/observers with greater authority than they have currently.” – *Cost Savings & Efficiency Work Group*

## Interagency Coordination

Coordinating capital improvement planning, programming, and project implementation among various public and private entities is a complex and time consuming task.

Interagency coordination is of course also essential if public infrastructure is to be installed and maintained in the most cost efficient manner possible.

As part of their deliberations, the Cost Savings and Efficiency Work Group discussed the present status of interagency coordination for capital improvement projects. Various methods and systems for promoting coordination of city departments, private utilities, and other agencies were reviewed. This included a variety of means for ensuring cooperation among all participating parties.

The Work Group did not conclude their deliberations with any specific recommendations for enhancing interagency cooperation, but are recommending that the departments and agencies involved in this process give consideration to additional ways to maintain strong interagency communication and coordination.

### Interagency Coordination

“Examine and describe ways for enhancing the communication for and coordination of capital projects between Public Works, LES, LPS, Parks and Recreation, other utilities, and other city and county agencies.” – *Cost Savings & Efficiency Work Group*

## Streamline Platting Process

The Cost Savings and Efficiency Work Group discussed various issues relating to the City of Lincoln’s plat (i.e., subdivisions) submittal and review process. This process is the basis for the creation of subdivisions and involves many city departments and outside agencies.

### Streamline Platting Process

“Consider ways to streamline the platting process.” – *Cost Savings & Efficiency Work Group*

The Work Group’s discussion did not result in the identification of any specific recommendations concerning the platting process. However, it was the consensus of the Work Group that the City should consider ways to ensure that the process is efficient and allows for the timely processing of all applications.

## Grant Writing Program

Infrastructure financing should take advantage of all reasonably available funding sources. This is especially true of Federal and State grants that could serve to supplement scarce local resources.

In order to secure funding from Federal and State governments, the City will typically be required to submit a written grant specifying the need for and intended use of such funds. This in turn requires City staff to prepare and file the necessary documentation and to then follow up with the appropriate agency.

The Cost Savings and Efficiency Work Group viewed Federal and State grants as a valuable tool for funding Lincoln's infrastructure. The Work Group felt, however, that this issue was better addressed by the Finance Work Group, as they are charged with the task of identifying viable funding options for the city.

### Grant Writing Program

"It is recommended that enhancing the use of the City's grant writing program to obtain Federal and State funds be forwarded to the Finance Work Group for further study." – *Cost Savings & Efficiency Work Group*

## Infrastructure Elements

This section presents the Cost Savings and Efficiency Work Group's recommendations regarding specific infrastructure elements. The recommendations have been grouped into the following five subsections:

1. Street Design Considerations
2. Bury Overhead Lines
3. Costs for Utility Relocations
4. Sidewalks Along Arterial Streets
5. Sureties for Street Trees

## Street Design Considerations

### “Outside-In” Street Phasing

The conversion of a roadway from a rural design to an urban design can occur over a series of phases.

One proposed approach provides for the outside two travel lanes of an eventual four lane cross section to be built first. This allows for the installation of the curbs and gutters, stormwater system elements, and utilities during the initial construction of an urban style street.

The remaining two travel lanes (and left turn lanes) can then be built when they are needed in the future by constructing them on the inside of the two initial travel lanes.

The Work Group finds that this approach minimizes the disruption of traffic flows during future construction, allows access to homes and businesses to remain in place during future construction, and minimizes costly removal of usable infrastructure (i.e., utilities, sidewalks and trails, plant material and buffering.)

#### “Outside-In” Street Phasing

“Phase construction of urban arterials to build from the outside lanes inward. This would allow for stormwater and other utilities to be put in place at the time of initial roadway construction and eliminate costly relocation at a later date.” – *Cost Savings & Efficiency Work Group*

## Future Street Grades

### Future Street Grades

“Coordinate with Lancaster County on the design and alignment of new county pavement projects within the City’s future growth tiers.” – *Cost Savings & Efficiency Work Group*

As part of the cost efficiencies to be gained from a comprehensive right-of-way acquisition program, the Work Group looked at the issue of differences between roadway grading used in rural vs. urban conditions.

The Cost Savings and Efficiency Work Group determined that considerable cost savings could be achieved if roadway grades were established prior to subdivisions developing along county section lines roads.

(Section line roads are most often identified in the future City street plan as urban arterials.)

With the City and County establishing the roadway grades early in the development process, this reduces the need for costly future grading and will minimize the need for such ancillary design features as retaining walls.

## Make Use of Paved County Roads

As the City grows into the rural areas there will likely be numerous paved county roads already in place.

The Work Group discussed the cost savings that could be derived from using these paved roads for a period of time after city annexation occurs.

### Make Use of Paved County Roads

“Make efficient use of paved county roads as the city phases in urban improvements.” – *Cost Savings & Efficiency Work Group*

The Work Group recommends that the existing public investment in paved county roads be used as efficiently as possible as urbanization of rural areas is taking place.

## Dual Left Turn Lanes

As Lincoln’s urban traffic volumes have increased over the past several years, the City’s Public Works Department has seen a greater need to plan for and install dual left turn lanes.

This design configuration affords greater movement of vehicles through congested intersections during periods of peak congestion.

### Dual Left Turn Lanes

“(1) Retain 28 foot medians for future turning lane improvements as warranted; (2) For purposes of estimating future costs, assume only one dual left turn lane per mile per section line road; and, (3) Assume dual left turn lanes at the intersection of all arterials.” – *Cost Savings & Efficiency Work Group*

The Work Group discussed the relative merits of assuming that dual left turn lanes would be needed at all intersections of arterials, as well as along section line roads at the quarter mile, half mile, and three quarter mile points.

It was the Work Group’s feeling that dual lefts should be assumed for all intersections of two arterials, but that only one – rather than three – dual left turn lane configuration be assumed along the section line roads. Even with this assumption, dual left turn lanes would be installed as warranted by

traffic figures. The Work Group agreed that a 28-foot median be retained in future roadway plans so that dual left turn lanes could be accommodated as they are needed.

## **Retaining Walls**

Retaining walls can be an expensive element of roadway construction and maintenance.

If the City is able to obtain the necessary right-of-way, and roadway grades are established well in advance of development, the need for future retaining walls along arterials should be significantly reduced.

### Retaining Walls

“Consider means for using grading and wider rights-of-way to minimize the need for retaining walls along arterial streets.” – *Cost Savings & Efficiency Work Group*

## **Signals**

### Signals

“Reduce the number of traffic and pedestrian signals assumed per mile in the future cost estimates.” – *Cost Savings & Efficiency Work Group*

Signals – both traffic and pedestrian -- can also be a costly component of street construction.

The future cost estimates being applied in this process assumed traffic signals at each major intersection and at each quarter mile point along each arterial. One pedestrian signal was assumed per section line arterials.

After discussions with the Public Works Department staff, the Cost Savings and Efficiency Work Group determined – with concurrence from the Public Works Department – that the assumed number of signals could be reduced for purposes of projecting costs. Two of the three quarter mile point traffic signals and the single pedestrian signal were eliminated from the future cost estimates. These facilities would still be installed in the future if it was determined that they were warranted.

## Bury Overhead Lines

As the City expands into the new or partially developed areas, arterial roads are typically upgraded to urban street standards. As part of these project, consideration is often given to burying existing overhead power transmission and telecommunication lines that may be within the street right of way.

While burying overhead lines can be expensive, the Work Group felt that this was an important policy for both long term level of service considerations and for commensurate cost savings in the future. This recommended policy is intended to apply to only to distribution lines and not high voltage transmission lines.

### Bury Overhead Lines

“Bury all overhead distribution lines as part of future arterial street projects in growth areas – regardless of who has to pay.” – *Cost Savings & Efficiency Work Group*

## Costs for Utility Relocations

As part of many street projects in both established and newer parts of the city, it is often necessary to relocate existing utility lines or mains. This can include water mains, sanitary sewer mains, electrical lines, and telecommunication lines. Such facilities may need to be moved because they will not be properly located relative to the new roadway. In some cases, it may also be desirable to bury overhead telecommunication and electrical lines.

Under the present system, the costs for relocating LES, water, and wastewater utility facilities is typically paid for as part of the “street project” – that is, the relocation costs are most often drawn from street construction funds rather than being paid by the applicable utility. The Work Group is recommending that the costs for these relocations (and burying of lines) be borne by the utilities (i.e., LES, Water System, and Wastewater System) and not be included as part a direct expense of constructing the street.

### Utility Line/Main Relocation Costs

“Require utilities to move their mains or lines (and in some cases bury overhead lines) in the public right of way, and require them to bear the cost of such efforts (most notable those not currently paying for moving their mains or lines -- LES, water, and wastewater) when necessary as part of an applicable street construction project.” – *Cost Savings & Efficiency Work Group*

## Sidewalks Along Arterial Streets

The City's present subdivision regulations require that concrete sidewalks be installed "on both sides of all streets, including collector and major streets." This has been a long standing condition of platting within the City. It has been an effective policy for ensuring that pedestrian walkways are made a part of the overall development.

### Sidewalks Along Arterial Streets

"Retain the present subdivision standard requiring installation of sidewalks along arterial streets as part of the platting process." – *Cost Savings & Efficiency Work Group*

There have been discussions recently about transferring this responsibility directly to the City. The Work Group felt that this was a responsibility better left as part of the subdivision process so as not to further burden the street construction funding program.

## Sureties for Street Trees

Present regulations require developers to post sureties for the installation of street trees along arterials.

In addition, the bonds submitted by the developer securing the installation of the trees cannot typically be released until the subdivision is completed. In many cases this can take many years. This can tie up a substantial amount of developer money that could be available for other improvements.

### Sureties for Street Trees

"(1) Eliminate bonding for street trees along arterial streets; and,  
(2) Require the home builder or buyer to install the street trees at the time the home is constructed; or,  
(3) Allow for payment in advance in lieu of bonding as a subdivision requirement." – *Cost Savings & Efficiency Work Group*

The Cost Savings and Efficiency Work Group believes that the bonding for street trees along arterials should be eliminated.

Alternatively, the developer could be allowed to pay in advance for the installation of the trees or the obligation for the installation of the trees could be placed on the home builder or buyer at the time the house is constructed.

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